

Company Name Wesfarmers
Industry Apparel (Supply Chain and Own Operations)
UNGP Core Score (*) 13.5 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
1	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
1	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
1.5	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
1.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
1	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
2	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
1	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0.5	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
13.5	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: General HRs commitment: The Code of Conduct, states that 'Wesfarmers expects you and all those we work with to respect human rights and to maintain a work environment where this is understood and valued'. The Code is valid to 'everyone who works in and for the Wesfarmers Group'. [Modern Slavery Statement 2019, 01/12/2019: sustainability.wesfarmers.com.au & Code of Conduct, 2019: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: UNGPs: In the 2018 Modern Slavery statement, the Company indicated that 'we support the following globally recognised declarations, principles and goals: [...] United Nations Guiding Principles on Business and Human Rights'. However, this commitment has not been found in the latest slavery statement, and the new code of conduct includes the following statement: 'There are a number of internationally-recognised human rights and principles, including as set out in the: (...) UN Guiding Principles on Business and Human Rights (...). We strive to ensure that our practices align with these rights and principles'. However, the use of the wording 'strive to ensure that our practices align with' does not qualify as a formal commitment to the initiative following CHRB Criteria. Also, in its 2020 disclosure to CHRB through the disclosure platform, the Company indicates that 'We are committed to respecting and supporting the following globally recognised declarations, principles and goals: (...) United Nations Guiding Principles on Business and Human Rights; (...) OECD Guidelines for Multinational Enterprises'. However, according with CHRB criteria, the commitment needs to be in a document signed off by the Board and/or be disclosed in a policy document. No evidence of it found in the 2019 Modern Slavery Statement. [Code of Conduct, 2019: wesfarmers.com.au & 2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: ILO Core: The Company's Modern Slavery statement indicates that 'we support the following globally recognised declarations, principles and goals: [...] United Nations Global Compact; International Labour Organisation Declaration of Fundamental Principles and Rights at Work'. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] • Met: UNGC principles 3-6: As indicated above the Company explicitly supports the UN Global Compact. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] • Not met: Explicitly list ALL four ILO for AP suppliers: Suppliers must also comply with the Company's minimum standards, which include no forced or bonded labour, no child labour, freedom of association (which includes collective bargaining) and no discrimination and form the ILO's core labour standards. With respect freedom of association and collective bargaining, the Company indicates: 'Suppliers shall respect the rights of workers to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country of operation'. It is not clear whether it is committed to respect these rights in all contexts and locations (i.e. alternative mechanisms for those countries where there are legal restrictions to the exercise of these rights), as the Company indicates that it respects these rights 'as long as such groups are legal in the country of operation'. Moreover, in the Modern Slavery Statement 2019, it states that 'businesses must, as far as practicable, encourage their suppliers to promote best practice and continuous improvement' and require suppliers to comply with minimal standards that include all ILO Core, but the Right of Collectively Bargaining.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Finally, the Ethical Sourcing Code of Kmart, a subsidiary Company, states 'when operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, factories shall allow workers to freely elect their own representatives with whom the factory can enter into dialogue about workplace issues'. However, the commitment refers to this specific group company. No evidence found of similar requirements applying beyond this company. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au & Modern Slavery Statement 2019, 01/12/2019: sustainability.wesfarmers.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Explicit commitment to All four ILO Core: The Company's Modern Slavery Statement states that Wesfarmers is committed to respecting and supporting the International Labour Organisations declaration of Fundamental Principles and Rights at Work. It also states that 'Consistent with the principles detailed in our Code of Conduct and Ethical Sourcing Policy, Wesfarmers is committed to [...]. We prohibit discrimination and forced, trafficked and child labour and are committed to safe and healthy working conditions, including the right to freedom and collective bargaining'. No more recent evidence found. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] • Met: Respect H&S of workers: The Company has a publicly available statement for safe and hygienic working environments that are without risk to health. 'Workers shall receive adequate regular training to perform their jobs in a safe manner. Personal protective equipment and machinery safeguards shall be supplied and workers trained in their use. Where suppliers provide accommodation it shall be clean, safe and meet the basic needs of workers. Workers will have access to clean toilet facilities, clean drinking water and, where appropriate, sanitary facilities for food storage and preparation. Workers have the right to refuse work that is unsafe.' [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: H&S applies to AP suppliers: The Company's suppliers are held to the same Health and Safety standards that are listed above. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: working hours for workers: As part of the minimum standards, the Company is to comply with the following: 'Working hours must comply with applicable local laws. Workers should not be required to work more than the maximum hours per week as stipulated by local laws or in the absence of such law by the applicable ILO convention. Overtime shall be agreed, shall not be excessive, shall not be requested on a regular basis and shall be compensated as prescribed by applicable local laws.' [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: Working hours for AP suppliers: The Suppliers are held to the same standards that are listed above. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au]
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Regular stakeholder engagement: The Company states that 'we regularly and openly listen to our stakeholders to understand their expectations and how these might change'. In relation to team members (employees), it indicates that 'this year, as in previous years, the key messages we have received from team members include discussions around professional development and concerns relating to individual circumstances. Divisions act on the feedback they receive in team members surveys and individual concerns are investigated and addressed'. [Stakeholder engagement, N/A: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design: The Company names human rights as a priority issue from external stakeholders. However, no evidence found of how this engagement relates to monitoring or developing policy on human rights. [Materiality process, 7/8/2019: sustainability.wesfarmers.com.au & Stakeholder Engagement, N/A: 2015.sustainability.wesfarmers.com.au] • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to remedy: If the Company's Ethical Sourcing and Modern Slavery Policy is breached, it 'will act as quickly as practicable to remedy [its] adverse impacts on workers, individuals or communities and [it] will engage directly with affected stakeholders.' This document contains Company's human rights commitments. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AP suppliers to remedy impacts: The Company states that the policy is to ensure that the group acts 'to prevent, mitigate and where appropriate, remedy modern slavery in their operations and supply chains.' Moreover, 'our aim is to ensure that human rights are understood, respected and upheld across our supply chain. We expect our partners and stakeholders to adhere to ethical business conduct standards which are consistent with our own, and we are committed to working with them to fulfil this common goal'. No evidence found, whether the commitment also includes working with business relationships to remedy impacts either through the business relationship's own mechanisms or through collaborating with them on the development of third party non-judicial remedies. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au & Modern Slavery Statement 2019, 01/12/2019: sustainability.wesfarmers.com.au]

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2. The Company is signatory to the UN Global Compact. • Met: Senior responsibility for HR: The Company's Sustainability Report governance section states that senior management in each business are responsible for managing human rights issues with their suppliers. It also states that each business has its own process and triggers for identifying human rights risks and impacts. [Sustainability Report, 2017: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: The Company indicates that 'All sustainability issues at Wesfarmers including human rights are managed at a divisional level by senior management with teams in place to identify and manage sustainability issues relevant for their business including modern slavery and human rights risks. Senior management in our businesses is also responsible for managing human rights issues with their suppliers. Each business has its own process and triggers for identifying human rights risks and impacts and makes use of platforms like the Supplier Ethical Data Exchange (Sedex) to streamline ethical and human rights compliance and monitoring'. [The UN Guiding Principles, N/A: sustainability.wesfarmers.com.au] • Not met: Day-to-day responsibility for AP in supply chain: As stated above, senior management is also responsible for managing human rights issues with their suppliers. Additionally, the Company lists actions taken to mitigate potential modern slavery risks, although it is unclear who is responsible for these actions. No further details found in the 2019 Modern Slavery Statement. [The UN Guiding Principles, N/A: sustainability.wesfarmers.com.au & 2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au]
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifying risks in own operations: The Company indicates, in its CHRB Disclosure document, that 'Wesfarmers periodically commissions independent human rights risk assessments to identify human rights risks salient to Wesfarmers and to understand whether those risks are being appropriately addressed in direct operations, contracted activities and the supply chain. The assessments typically examine human rights risks at the Group level and the business division level. In addition to the independent human rights risk assessments, Wesfarmers has implemented a number of ongoing processes to identify human rights risks and impacts within its operations and supply chains: The Wesfarmers Ethical Sourcing and Modern Slavery Policy, which among other things, includes requirements that each division/business unit must adopt policies and procedures to ensure that it is addressing modern slavery and ethical sourcing risks in its operations and supply chains. (...) Annual Divisional reporting requirements to the Divisional boards and the Wesfarmers Audit, Risk and Compliance Committee, pertaining to the implementation of the Wesfarmers Ethical Sourcing and Modern Slavery Policy and management of related risks. (...) Modern slavery risk embedded into mergers and acquisitions due diligence. A checklist has been developed with modern slavery as an item to consider in relevant business development due diligence processes'. [2020 CHRB Disclosures, 17/06/2020: business-humanrights.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Identifying risks in AP suppliers: The modern slavery statement discloses a table in which indicates how it identified different modern slavery risks. It includes a description on how it identified the following: non-compliance with labour standards in supply chain, non-compliance with broader human rights. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Ongoing global risk identification: Process has been described in the latest modern slavery statement. A chart explaining how modern slavery risks are governed include conducting 'regular reviews of emerging risks and lead stakeholder engagement'. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] • Met: In consultation with stakeholders: The Company conducts regular reviews of emerging risks and leads stakeholder engagement. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] • Met: In consultation with HR experts: The Company uses the data from Global risk and strategic consulting firm Verisk Maplecroft which classifies China, Bangladesh, India, Thailand and Vietnam as 'high' or 'extreme risk' for human rights risks. [Modern Slavery Statement 2019, 01/12/2019: sustainability.wesfarmers.com.au] • Not met: Triggered by new circumstances: Although the Company refers to modern slavery risk assessment embedded into mergers and acquisitions due diligence, it is not clear whether a broader risk identification process takes place. [2020 CHRB Disclosures, 17/06/2020: business-humanrights.org]
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): On its webpage Materiality Process, the Company states that 'To identify which issues to prioritise, we undertake a robust materiality process for each division and at a Group level'. It then discloses the process, which includes reviewing inputs to develop a list of issues, prioritising issues, validating and external review. Moreover, the Company indicates, in its CHRB Disclosure document, that 'Wesfarmers periodically commissions independent human rights risk assessments to identify human rights risks salient to Wesfarmers and to understand whether those risks are being appropriately addressed in direct operations, contracted activities and the supply chain'. However, rather than a materiality assessment, CHRB is looking for an assessment of its salient risks. Regarding the latter piece of evidence, no description found of its process(es) for assessing its human rights risks including, at least, one factor taken into account (geographical, social, economic, etc). [Materiality process, N/A: sustainability.wesfarmers.com.au & 2020 CHRB Disclosures, 17/06/2020: business-humanrights.org] • Met: Public disclosure of salient risks: The Company indicates that 'previously we considered non-compliance with our labour standards to be high-risk in all regions except for Western Europe, Australia and New Zealand, however our due diligence process has revealed unfair working conditions such as the underpayment of sub-contracted workers and poor health and safety standards are potential risks in any region including Australia. Our due diligence process has revealed that there is an increased risk of unfair working conditions for people who are employed by third party labour hire companies'. The Company provides similar descriptions for gender pay gap, and safety. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Action Plans to mitigate risks: Although the Company discloses a table with actions to mitigate potential modern slavery-related risks (non-compliance with labour standards and human rights), actions seem to be focused in monitoring compliance of suppliers through audits and policy communication, it also describes preventive and proactive approach including 'building long-term relationships', 'collaborating with other businesses, government and non-government organisations', 'training and capacity building', [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] • Met: Including in AP supply chain: The system described by the Company focuses in risks in the supply chain [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> Met: Example of Actions decided: Following the line of action of 'collaborating with other businesses, government and non-government organisations', it indicates that 'Kmart and Target have continued their participation in the Action, Collaboration, Transformation (ACT) living wage collaboration'. The collaboration has the aim to work towards the achievement of living wages in its supply chain. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au & Target: Our action on Living Wage, 01/01/19: target.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: System to check if Actions are effective: The Company indicates that 'Wesfarmers has implemented robust processes to track, monitor and evaluate the effectiveness of actions to respond to human rights risks and impacts, including: Annual Divisional reporting requirements to the Divisional boards and the Wesfarmers Audit, Risk and Compliance Committee, pertaining to the implementation of the Wesfarmers Ethical Sourcing and Modern Slavery Policy and management of related risks. (...) A Quarterly Human Rights Forum, with representatives from across Wesfarmers at the Group and Divisional level, to provide a coordinated approach to human rights risk management across the Wesfarmers Group. The forum actively monitors and evaluates the effectiveness of actions responding to human rights risks. Internal audits conducted by KPMG of Divisional compliance with the Wesfarmers Ethical Sourcing and Modern Slavery Policy and other Divisional ethical sourcing procedures. The independent human rights risk assessments typically examine the extent to which Wesfarmers' approach to human rights risk management meets stakeholder expectations, incoming regulatory requirements and leading practice globally. They also examine, whether human rights risks are being appropriately addressed / managed under the Divisional and Group framework, and if not, what changes were needed. [2020 CHRB Disclosures, 17/06/2020: business-humanrights.org] Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Comms plan re identifying risks: See indicator B.2.1. The Company carries out a global risk identification and assessment process that includes both its own operations and business partners, and describes at least some features of the process. Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2 Met: Comms plan re action plans for risks: See indicator B.2.3 Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4 Not met: Including AP suppliers: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1 <p>Score 2</p> <ul style="list-style-type: none"> Not met: Responding to affected stakeholders concerns Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Channel accessible to all workers: The Company's whistle-blower policy outlines a number of channels in which workers can report issues. Employees can raise matters with their immediate supervisor, manager or other senior supervisor. Employees may also make reports via the Wesfarmers Fair Call service which is a free external hotline service independently monitored by KPMG. The Company's Sustainability Report states that grievance mechanisms are accessible by employee and external community stakeholders. The company has also established grievance mechanisms for workers in its supply chain. [Whistleblower Policy, 08/2018: wesfarmers.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: The Company indicates that 'This year we received around 300 reports from whistleblowers through our hotlines and direct to protected disclosure officers across the Group, which were mostly work related grievances, with other disclosures relating to potential fraud, breaches of our code of conduct, harassment, bullying and discrimination'. However, it is not clear the number of grievances about human rights issues filed, addressed or resolved. [Modern Slavery Statement 2019, 01/12/2019: sustainability.wesfarmers.com.au] • Met: Channel is available in all appropriate languages: Workers of Target and Kmart can report violations of the Ethical Sourcing Code via email. The email is available to workers who speak English, Chinese, Bengali, Hindi, Khmer, and Bahasa. [Target: Ethical sourcing code poster, 01/01/19: https://target.com.au/companies/list/ Disclosure - Easy format.docx#_1,37099,37169,0,,target.com.au & Target: Ethical sourcing, 7/8/2019: supplier.target.com.au] • Met: Expect AP supplier to have equivalent grievance systems: Kmart and target Ethical sourcing code states that 'supplier factories must have in place a working communication/grievance system, and workers are aware and educated on how to use the system. The system must allow for anonymity. Issues are reviewed regularly, responded to with a sense of urgency, and properly filed to demonstrate compliance'. The Code also states that 'any contract engaging a sub-contractor must include a contractual provision requiring compliance with the Kmart/Target ESC'. [Ethical Sourcing Code (Department Stores), 1/2017: kmart.com.au] • Met: Opens own system to AP supplier workers: The poster version of the ethical sourcing code, to be published in a location that can be seen by all factory workers, include email addresses to both Target and Kmart teams. [Target: Ethical sourcing code poster, 01/01/19: https://target.com.au/companies/list/ Disclosure - Easy format.docx#_1,37099,37169,0,,target.com.au]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism for community: The Company's Modern Slavery Statement states that 'also promote the provision and implementation of effective grievance mechanisms by our suppliers.' The Company's Sustainability Report states that grievance mechanisms 'are accessible by our employees and external community and stakeholders'. [Sustainability Report, 2018: sustainability.wesfarmers.com.au & 2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: 2018.sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages: According to Group ES Code of Kmart, a subsidiary, violations can be reported by phone and by email. There are 4 different numbers, for China, India, Bangladesh and other regions. However, it is not clear it ensures the channel(s)/mechanism(s) is accessible to all potentially affected external stakeholders at all operations, including in local languages, including the Company globally. [Kmart Group Code, 08/2019: kmart.com.au & Modern Slavery Statement 2019, 01/12/2019: sustainability.wesfarmers.com.au] • Not met: Expects AP supplier to have community grievance systems: According to Group ES Code of Kmart, a Wesfarmers subsidiary, 'Factories must have in place a worker grievance system to raise concerns or incidents around breaches of labour standards or other issues concerning factory misconduct. Workers must be made aware and educated on how to use the system and be able to report a grievance in their spoken language. The system must allow for anonymity, confidentiality and ensure non-retaliation for workers who use the system in good faith. Grievances that are reported or raised must be followed up, appropriately and promptly investigated, and properly documented (including investigation outcomes) to demonstrate compliance'. However, it is not clear the Company expects its suppliers for all its operations to establish a channel/mechanism for complaints or concerns from external individuals and communities, including about human rights issues related to the supplier. [Kmart Group Code, 08/2019: kmart.com.au] • Not met: AP supplier communities use global system: The 2019 Modern Slavery Statement states that 'We have established specific grievance mechanisms for workers in our supply chain'. However, it is not clear individuals or communities have access to the Company's own channel(s)/mechanism(s) to raise complaints or concerns about the Company's suppliers. [Modern Slavery Statement 2019, 01/12/2019: sustainability.wesfarmers.com.au]
C.7	Remedying adverse impacts and	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided: The Company states 'During the year, we identified 114 critical breaches across 82 factories in our audit

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	incorporating lessons learned		<p>program. The major critical breaches identified included excessive overtime (37 per cent), transparency (16 per cent), safety (12 per cent), unpaid wages (11 per cent) and unauthorised subcontracting (10 per cent). As set out in Table 2, where a non-compliance is identified, the factory is required to fix the issue, within an appropriate period of time, depending on the materiality of the non-compliance. We were able to remedy 43 of these issues immediately, 50 had action plans that were on track at the end of the reporting period, one was exited immediately and no further supply orders were placed at the remaining 20.' The Company details how they deal with supplier non-conformances. However, no evidence found on how the specific affected people have received remedy. [Sustainability Report, 2018: sustainability.wesfarmers.com.au]</p> <ul style="list-style-type: none"> • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Headline: Wesfarmers and H&M among Companies sourcing from forced labour camps in China • Area: Forced labour, discrimination, security of persons • Story: On July 15, 2019, Yahoo reported that an investigation by ABC's Four Corners program unveiled evidence of detained Uyghur minority group members being forced into factory labor in China. The investigation named Target Australia Pty. Ltd. and Hennes & Mauritz AB among companies that sourced cotton for their products from the troubled Xinjiang province. The program reportedly featured the cases of several women who say they were forced to work in textile factories. According to China scholar Adrian Zenz, the stories of forced labor are not isolated cases; government documents reveal plans for re-education through labor, and satellite photos show what appear to be large warehouses close to detention camps in Xinjiang. Shocking footage leaked in November 2018 showed the prison-like conditions in Xinjiang where many Uighurs are detained and the increasing surveillance of the minority group by Beijing authorities. In early 2017, the Communist Party began a new incarceration campaign, rounding up, detaining, and forcibly indoctrinating Uyghurs and other Muslim minority ethnic groups in the country's far-western region. Islam is effectively outlawed in the province, with people routinely labeled as extremists and imprisoned for practicing their religion. A UN committee describes the province as resembling a "mass internment camp," with estimates of more than 1 million Uyghurs being sent to prison or re-education camps. Many of those not detained have had their passports seized and live under constant surveillance. Business Insider previously reported in February that China's 'Belt and Road Initiative' may be a cause of the escalating oppression. • Sources: [Dateline - 19/07/2019: sbs.com.au][ABC - 17/07/2019: abc.net.au][Yahoo Finance - 15/07/2019: abc.net.au][
E(1).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: Target responded to a request for comment, with a spokesperson from the retailer confirming to Business Insider Australia that one of its direct suppliers uses a "small amount of cotton yarn" from a mill owned by Huafu, a Xinjiang textiles manufacturer named in the report. In October 2019, it was published that, following internal investigation, Target Australia decided to 'stop orders from that mill'. [Article about cotton from Xingang province, 2019: abc.net.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail: Although Target states that it conducted an internal investigation and to stop sourcing from Huff, it does not provide details about the case or its investigation. [Article about cotton from Xingang province, 2019: abc.net.au]
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: Wesfarmers Limited (Wesfarmers/the Group) opposes slavery in all its forms. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: Policies apply to the type of business relationships involved: Target Australia together with Kmart Australia opposes slavery in all its forms and complies with the Wesfarmers Group Modern Slavery Statement. Target Australia

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>also has an Ethical Sourcing Program. The program is supported by our Ethical Sourcing Code (ESC), which includes minimum requirements and expectations that all suppliers must meet as a condition of doing business with us. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au & Wesfarmers Human Rights and Modern Slavery Statement, 2017: 2017.sustainability.wesfarmers.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: Wesfarmers Limited's (Wesfarmers) Ethical Sourcing and Modern Slavery Policy states that as a minimum, suppliers are expected to "not use any type of forced labour (any work or service extracted from any person under the menace of any penalty, which work has not been freely chosen by the person), bonded labour (work which is not for compensation received by the worker, but to repay a debt, which is often incurred by another person offering the worker's labour in exchange) or indentured labour (in which an employer forbids workers from leaving employment at the worker's discretion); (b) respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits or taking any other action to prevent workers from terminating their employment; and (c) ensure that workers are free to leave their employer after reasonable notice." In addition, the company has the following policy concerning wage retention: "Suppliers must comply at a minimum with all laws regulating local wages, overtime compensation and legally mandated benefits. Record keeping must be accurate and transparent. Workers must be provided with written and understandable information about their employment conditions before they enter employment and about their wages for each pay period. Deductions from wages for disciplinary measures or any deductions from wages not provided for by law shall not occur without the express permission of the worker concerned. All disciplinary measures should be recorded." [Ethical Sourcing and Modern Slavery Policy, N/A: wesfarmers.com.au]
E(1).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders: Although Target Australia stated that it takes "any breaches of our Ethical Sourcing Code very seriously, including any allegations of forced labour" and that following the allegation it "conducted internal checks and identified that one Target direct supplier is using a small amount of cotton yarn from that mill" and is conducting a review of the situation," it does not appear that Target or Westfarmers has engaged with the affected stakeholders. [Wesfarmers stretch Reconciliation Action Plan, 2017: wesfarmers.com.au] • Not met: Encourages linked business to engage affected stakeholders: Wesfarmers, Kmart and Target are examining measures that will eventually enable them to achieve traceability and transparency of cotton from spinning mill to factory for own brand clothing, towel and bedding ranges. [Increasing supply chain transparency, N/A: sustainability.wesfarmers.com.au] • Not met: Provides remedies to affected stakeholders: There is no evidence that Wesfarmers has provided any remedies to those affected by the forced labor allegations. • Met: Has reviewed management systems to prevent recurrence: According to Wesfarmers, Kmart and Target are examining measures that will eventually enable them to achieve traceability and transparency of cotton from spinning mill to factory for own brand clothing, towel and bedding ranges. Target and Kmart are also continuing to publish the details of all tier-one factories that directly produce their own brand products. [Increasing supply chain transparency, N/A: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has improved systems and engaged affected stakeholders: Although Wesfarmers, Kmart, and Target are examining measures that will eventually enable them to achieve traceability and transparency of cotton from spinning mill to factory for own brand clothing, towel and bedding ranges, it is not clear whether they have engaged directly with the affected stakeholders. [Increasing supply chain transparency, N/A: sustainability.wesfarmers.com.au]

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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